

Message Text

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ORIGIN EB-08

INFO OCT-01 AF-10 ISO-00 OTPE-00 COME-00 FCC-01 L-03
/023 R

DRAFTED BY EB/TD:ALFREEMAN:SP
APPROVED BY EB/TD:GLHUFFCUTT
AF/C - MR. SWING
-----006696 240902Z /10
P 232305Z SEP 77
FM SECSTATE WASHDC
TO AMEMBASSY KINSHASA PRIORITY

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E.O. 11652: N/A

TAGS: ETEL, CG

SUBJECT: ATT EFFORTS TO COLLECT DEBT FOR US-ZAIRE
TELEPHONE SERVICE.

1. AMERICAN TELEPHONE AND TELEGRAPH COMPANY
(ATT) HAS ADVISED DEPARTMENT THAT ITS DIFFICULTY IN
COLLECTING REVENUE DUE IT FROM ZAIRE (FIRST REPORTED
TO DEPARTMENT IN OCTOBER 1976) CONTINUES. REVENUE
SETTLEMENT PROCEDURES INVOLVE BOTH PARTIES ACCOUNTING
FOR THOSE CALLS BILLED IN THEIR COUNTRY, AND THE TWO
ACCOUNTS REDUCED TO A NET BALANCE DUE ONE OR THE OTHER.
TOTAL REVENUES ARE DIVIDED EQUALLY. IN GENERAL, THE
BALANCE RUNS IN ATT'S FAVOR; THAT IS, MORE CALLS
ORIGINATE IN ZAIRE THAN IN THE U.S. THE BALANCE DUE
ATT HAS BEEN GROWING AND EFFORTS BY IT TO COLLECT FROM
ZAIRE HAVE FAILED.

2. IN OCTOBER 1976 AFTER DISCUSSIONS WITH THE
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DEPARTMENT ATT NEGOTIATED A REPAYMENT PLAN WITH ZAIRE
WHICH CALLED FOR A SERIES OF MONTHLY PAYMENTS TO BE
MADE TO ATT TO LIQUIDATE A DEBT OF DOLS 300,000.
ZAIRE HAS NEVER MADE ANY PAYMENTS, AND THE AMOUNT DUE
ATT IS NOW ABOUT DOLS 500,000.

3. ATT NOW PLANS TO INFORM THE ZAIRE TELECOMMUNICATIONS

MINISTRY THAT AS OF JANUARY 1, 1978 IT WILL INITIATE "SENT PAID/RECEIVED COLLECT" ONLY SERVICE. THAT IS, ATT WILL ONLY PROCESS CALLS BILLED AND PAID FOR HERE IN THE U.S. THE ONLY WAY SOMEONE IN ZAIRE COULD PLACE A CALL WOULD BE TO PLACE IT COLLECT. THE EFFECT OF THIS ACTION WOULD BE THAT ATT WOULD BILL DIRECTLY, KEEP ALL OF THE REVENUE AND THUS GRADUALLY REDUCE THE DEBT.

4. ATT IS PRECLUDED BY LAW FROM DIVULGING THE DETAILS OF CALLS. HOWEVER, IN THE PERSONAL OPINION OF ATT OFFICIALS WHOSE JUDGMENT WE BELIEVE IS SOUND, MOST CALLS FROM ZAIRE ARE OF A BUSINESS RATHER THAN A PERSONAL CHARACTER. THEY BELIEVE IT LIKELY THE CALLS ARE IN CONNECTION WITH ORDERS PLACED FOR GOODS AND SERVICES IN THE U.S.

5. WE BELIEVE ATT'S EARLIER APPROACH TO THIS PROBLEM, WHICH WAS IN LARGE MEASURE INFLUENCED BY OUR CONCERN THAT IT PROCEED CAUTIOUSLY, WAS REASONABLE, AND WE NOW BELIEVE THE MORE DRASTIC ACTION IS APPROPRIATE AND TIMELY IN VIEW OF THE FAILURE OF THE EARLIER APPROACH AND THE AMOUNT NOW DUE. THE EMBASSY AT ITS DISCRETION MAY WISH TO ADVISE THE GOZ THAT IT IS AWARE OF ATT'S CONCERN OVER THE SIZE OF THE AMOUNT DUE IT, ATT'S DISAPPOINTMENT OVER ZAIRE'S FAILURE TO IMPLEMENT THE DEBT LIQUIDATION PLAN, AND ATT'S PLAN TO LIMITED OFFICIAL USE

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ADVISE ZAIRE OF ITS INTENTION TO LIMIT SERVICE TO "SENT PAID" FROM THE UNITED STATES AND "RECEIVED COLLECT" FROM ZAIRE AS OF JANUARY 1, 1978, IF DEBT NOT LIQUIDATED BY THEN. DEPARTMENT WOULD APPRECIATE EMBASSY'S ASSESSMENT OF SITUATION AS SOON AS POSSIBLE. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT DEBTS, TELEPHONES
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Format: TEL
From: STATE
Handling Restrictions: n/a
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Litigation Codes:
Litigation History:
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
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Review Content Flags:
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Review Exemptions: n/a
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